REMARKS

Claims 1-24, all the claims pending in the application, stand rejected on prior art grounds. Applicants respectfully traverse these rejections based on the following discussion.

I. The Prior Art Rejections

Claims 1-3, 6-11, 15-19 and 22-24 stand rejected under 35 U.S.C. §103(a) as being unpatentable over Miller, et al. (U.S. Patent No. 5,640,569), hereinafter referred to as Miller, in view of Krishnaswamy, et al. (U.S. Patent No. 5,867,494), hereinafter referred to as Krishnaswamy. It appears that a page is missing in the Office Action pertaining to the rejection of claims 4, 5, 12-14, 20, and 21. Applicants assume that the previous rejections from the Office Action dated September 29, 2003 are maintained in the current Office Action. Applicants respectfully traverse these rejections based on the following discussion.

As amended independent claims 1, 9, and 17 contain features, which are patentably distinguishable from the prior art references of record. Specifically, claims 1, 9, and 17, recite, in part, "...<u>wherein said allocating of said resources comprises transferring, by said resource center, said resources from one customer to another customer.</u>"

These features are simply not taught or suggested in the prior art references of record. For example, Miller does not teach dynamically allocating resources, as admitted in the Office Action, based on changing customer needs, let alone using dynamic negotiation in determining the allocation and pricing parameters of the system/method.

Additionally, Miller does not teach transferring resources from one customer to another to facilitate the allocation of resource needs by a particular customer. Furthermore, neither Krishnaswamy nor Ferstenberg say anything regarding transferring resources from one customer to another to facilitate the allocation of resource needs by a particular customer, as provided in the claimed invention.

In particular, the claimed invention and the system/method in Miller are fundamentally different. In Miller, a typical auction methodology is described whereby bids are made and winning bids are awarded to customers depending on the bid prices. Conversely, the claimed invention uses auction methodologies in only part of its overall system/methodology. Moreover, there is no teaching in Miller that its system/process allows for customer/resource center negotiation in the manner provided by the claimed invention. This is so, because Miller does not describe the dynamic allocation of resources. Thus, the system and methodology of the claimed invention is patentably distinct from Miller, even if combined with Krishnaswamy.

Moreover, contrary to the assertion in the Office Action, neither Miller nor Krishnaswamy teach "<u>customers requesting said resource center to acquire and release resources at any time,</u>" as provided by the claimed invention. Column 1, lines 56-67 of Miller describes allocation methods for allocating a computer system resources, which include, "(1) first come first served, (2) priority based allocation methods, (3) pro rata allocation methods (allocate in proportion to amount requested), and (4) simple "single good" auction methods." Then, column 2, lines 26-36 of Miller indicate, "[w]hile the prior art has provided many well proven systems for allocating a single resource through various auction and arbitration systems, those systems are not appropriate for the

simultaneous arbitration of multiple goods, or "baskets of goods," where the goods being allocated are relatively inexpensive and in such great supply that the requests of numerous requesters can be satisfied simultaneously." Thereafter, Miller provides a system of allocation of computer resources. However, none of the allocation techniques provided in Miller involve the transference of resources from one customer to another in order to satisfy allocation needs for a particular customer. That is the claimed invention's process of "requesting said resource center to acquire and release resources at any time" is a unique feature of the claimed invention, which is neither taught nor suggested in Miller.

Furthermore, Krishnaswamy is likewise bereft of any language pertaining to the transference of resources from one customer to another in order to satisfy allocation needs for a particular customer. For example, column 45, lines 14-43 describe the operation of the "Resource Management Model" and how it releases resources to/from a resource pool. However, there is no teaching of effectively redistributing (transferring/switching) resources from one customer to another, as with the claimed invention. Clearly, given the breadth of the specification of the Krishnaswamy patent, had such a teaching been desired, anticipated, or obvious, surely it would have been described in Krishnaswamy. Rather, the absence of such a teaching in Krishnaswamy is indicative of unobviousness of the teachings of the claimed invention as it relates to Krishnaswamy.

Additionally, there is no teaching or suggestion in Krishnaswamy regarding negotiating the allocation and pricing of resources based on any one of several parameters. Rather, Krishnaswamy merely states in column 31, lines 48-51 that the

allocation techniques range from a "static configuration to [a] fully dynamic allocation of resources on a transaction by transaction basis." However, there is no teaching of implementing a negotiation technique whereby any one of the following parameters are used: "said customers requesting said resource center to acquire and release resources at any time; said resource center conducting an auction of all available resources in a shared resource pool at predetermined intervals to determine said allocation and pricing of said resources for a subsequent time interval; and said resource center publishing said prices at which said resources of said shared resource pool can be acquired or released by said customers, whereby said customers use said prices for determining whether to request releasing or acquiring said resources." This is significant not only to differentiate the claimed invention from the prior art references, but also to indicate that the prior art references each take mutually exclusive paths to solve wholly unique and different problems. Therefore, in this regard, the prior art references actually teach away from the claimed invention due to the different solutions and different problems which are the subject of the respective prior art references.

Graham v. John Deere Co., 383 U.S. 1, 86 S.Ct. 684, 15 L.Ed.2d 545, U.S.P.Q. 459 (1966) provides the correct factual inquiries which establish a background for determining obviousness under 35 U.S.C. §103(a). However, the cited tests clearly indicate that the claimed invention is unobvious in light of Miller in view of Krishnaswamy and further in view of Ferstenberg.

First, the scope and content of Miller is clearly different from the claimed invention. Miller teaches, a diverse goods arbitration system and method, which allocates computer resources among bidding requesters. Bid slates are transmitted to an

arbiter by users (requesters) requesting use of specified portions of the available computer resources. Each bid slate may contain a plurality of bids, each bid representing a requested set of resources and a bid price. The arbiter selects combinations of bids from the bid slates, where each bid combination consists of no more than one bid from each of the received bid slates. The arbiter rejects all bid combinations whose constituent bids exceed an established maximum allocation level for any computer resource. It then selects as a winning bid combination the bid combination having the highest total bid price. Computer resources are then allocated for a next time period based on the winning bid. Costs are allocating to each successful requester in accordance with a predefined opportunity cost function. In particular, for each successful requester, the arbitration process is repeated while excluding that successful requester's bid slate from the set of bid slates considered, resulting in the selection of a second winning bid that excludes the successful requester. The successful requester is then assessed a cost corresponding to the difference between the winning bid's total bid prices, excluding the price in the successful requester's granted bid, and the total bid prices associated with the second winning bid. This is different and wholly unique from the claimed invention, which includes an auction methodology as a mere part of the claimed invention.

Also, the scope and content of Krishnaswamy is clearly different from the claimed invention. Krishnaswamy teaches telephone calls, data and other multimedia information including video, audio and data being routed through a switched network which includes transfer of information across the internet. Users can participate in video conference calls in which each participant can simultaneously view the video from each other participant and hear the mixed audio from all participants. Users can also share

data and documents with other video conference participants. Users can manage more aspects of a network than previously possible, and control network activities from a central site. Billing of the conference call is accomplished utilizing a billing detail record to capture events associated with a call as they occur and debit the appropriate bill. This is different and wholly unique from the claimed invention, which has nothing to do with telephone call routing.

Likewise, the scope and content of Ferstenberg is clearly different from the claimed invention. Ferstenberg teaches software processes distributed on one or more computer systems that exchange messages in order to facilitate an intermediated exchange of financial commodities between a plurality of participants. The messages are exchanged according to a preferred protocol that leads to a satisfactory exchange that meets the objectives of the participants, and that substantially maximizes in a fair manner the total amount of financial commodities exchanged. Optionally, the invention employs heuristic rules in association with the preferred protocol that adapt the protocol to the time and exchange requirements of financial commodities. In other embodiments, this invention is equally applicable to the exchange of any tangible or intangible commodities. In a general embodiment, this invention further includes a preferred message-exchange protocol for the construction of computer programs representing exchange participants and an intermediary. These constructed computer programs exchange messages such that a satisfactory intermediated exchange of commodities is substantially certain to be achieved. This is different and wholly unique from the claimed invention, which is not specifically directed to message-exchange protocols.

Second, there are significant elements of the claimed invention, which are neither taught nor suggested in Miller, Krishnaswamy, or Ferstenberg. For example, as the Office Action admits Miller does not teach or suggest dynamic allocation of resources, and the previous Office Action admits that neither Miller nor Krishnaswamy teach the allocation and auction and billing techniques afforded by dependent claims 4, 5, 12, 13, 20, and 21. Also, Miller, Krishnaswamy, nor Ferstenberg teach transferring resources from one customer to another to achieve allocation needs/requests.

Third, the level of one of ordinary skill in the art is that of an engineer or computer scientist who works in computer network technologies. As such, such an individual would not find the claimed invention obvious in light of Miller, Krishnaswamy, or Ferstenberg because each of the prior art references addresses a separate and distinct aspect of resource allocation in completely different environments.

Fourth, the highly complex manipulation of complex computer networking formulations and designs which are provided in the application is an indication that the claimed invention is not obvious in light of Miller, Krishnaswamy, or Ferstenberg.

Thus, the claimed invention, as amended, meets the above-cited tests for obviousness by including embodiments such as, "allocating of said resources comprises transferring, by said resource center, said resources from one customer to another customer." As such, all of the claims of this application are, therefore, clearly in condition for allowance, and it is respectfully requested that the Examiner pass these claims to allowance and issue.

Furthermore, Applicants reiterate that insofar as references may be combined to teach a particular invention, and the proposed combination of Miller, Krishnaswamy, and

Ferstenberg in various combinations with one another, case law establishes that, before any prior-art references may be validly combined for use in a prior-art 35 U.S.C. § 103(a) rejection, the individual references themselves or corresponding prior art must suggest that they be combined.

For example, in In re Sernaker, 217 U.S.P.Q. 1, 6 (C.A.F.C. 1983), the court stated: "[P]rior art references in combination do not make an invention obvious unless something in the prior art references would suggest the advantage to be derived from combining their teachings." Furthermore, the court in Uniroyal, Inc. v. Rudkin-Wiley Corp., 5 U.S.P.Q.2d 1434 (C.A.F.C. 1988), stated, "[w]here prior-art references require selective combination by the court to render obvious a subsequent invention, there must be some reason for the combination other than the hindsight gleaned from the invention itself. . . . Something in the prior art must suggest the desirability and thus the obviousness of making the combination."

In the present application, the reason given to support the proposed combination is improper, and is not sufficient to selectively and gratuitously substitute parts of one reference for a part of another reference in order to try to meet, but failing nonetheless, the Applicant's novel claimed invention. Furthermore, the claimed invention, as amended, meets the above-cited tests for obviousness by including embodiments such as "...allocating of said resources comprises transferring, by said resource center, said resources from one customer to another customer," as recited in amended claims 1, 9, and 17. As such, all of the claims of this application are, therefore, clearly in condition for allowance, and it is respectfully requested that the Examiner pass these claims to allowance and issue.

As declared by the Federal Circuit:

> In proceedings before the U.S. Patent and Trademark Office, the Examiner bears the burden of establishing a prima facie case of obviousness based upon the prior art. The Examiner can satisfy this burden only by showing some objective teaching in the prior art or that knowledge generally available to one of ordinary skill in the art would lead that individual to combine the relevant teachings of the references. In re Fritch, 23 U.S.P.Q.2d 1780, 1783 (Fed. Cir. 1992) citing In re Fine, 5 U.S.P.Q.2d 1596, 1598 (Fed. Cir. 1988).

Here, the Examiner has not met the burden of establishing a prima facie case of obviousness. It is clear that, not only does Miller fail to disclose all of the elements of the claims of the present invention, particularly, the dynamic allocation of resources, the manner of customer and resource center negotiations, and the transferring of resources from one customer to another, as discussed above, but also, if combined with Krishnaswamy and/or Ferstenberg, fails to disclose these elements as well. The unique elements of the claimed invention are clearly an advance over the prior art.

The Federal Circuit also went on to state:

> The mere fact that the prior art may be modified in the manner suggested by the Examiner does not make the modification obvious unless the prior art suggested the desirability of the modification. . . . Here the Examiner relied upon hindsight to arrive at the determination of obviousness. It is impermissible to use the claimed invention as an instruction manual or "template" to piece together the teachings of the prior art so that the claimed invention is rendered obvious. This court has previously stated that one cannot use hindsight reconstruction to pick and choose among isolated disclosures in the prior art to deprecate the claimed invention. Fritch at 1784-85, citing In re Gordon, 221 U.S.P.Q. 1125, 1127 (Fed. Cir. 1984).

Here, there is no suggestion that Miller, alone or in combination Krishnaswamy and/or Ferstenberg teaches a structure and method containing all of the limitations of the claimed invention. Consequently, there is absent the "suggestion" or "objective teaching"

that would have to be made before there could be established the legally requisite "prima facie case of obviousness."

In view of the foregoing, the Applicant respectfully submits that the collective cited prior art do not teach or suggest the features defined by amended independent claims 1, 9, and 17 and as such, claims 1, 9, and 17 are patentable over Miller alone or in combination with Krishnaswamy and/or Ferstenberg. Further, dependent claims 2-8, 10-16, and 18-24 are similarly patentable over Miller alone or in combination with either Krishnaswamy and/or Ferstenberg, not only by virtue of their dependency from patentable independent claims, respectively, but also by virtue of the additional features of the invention they define. Thus, the Applicant respectfully requests that these rejections be reconsidered and withdrawn.

Moreover, the Applicant notes that all claims are properly supported in the specification and accompanying drawings, and no new matter is being added. In view of the foregoing, the Examiner is respectfully requested to reconsider and withdraw the rejections.

II. Formal Matters and Conclusion

With respect to the rejections to the claims, the claims have been amended, above, to overcome these rejections. In view of the foregoing, the Examiner is respectfully requested to reconsider and withdraw the rejections to the claims.

In view of the foregoing, Applicants submit that claims 1-24, all the claims presently pending in the application, are patentably distinct from the prior art of record

and are in condition for allowance. The Examiner is respectfully requested to pass the above application to issue at the earliest possible time.

Should the Examiner find the application to be other than in condition for allowance, the Examiner is requested to contact the undersigned at the local telephone number listed below to discuss any other changes deemed necessary. Please charge any deficiencies and credit any overpayments to Attorney's Deposit Account Number 09-0441.

Respectfully submitted,

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